

**Fort Mason & Fort Barry Residential Leasing:****Operating Statement**

Prepared: June 21, 2012

								YTD (9mo's) 2012		Projected (12mo's) 2012	
		2009		2010		2011					
Operating Income:											
Potential Gross Rental Income		\$ 1,594,177	100.0%	\$ 1,639,070	100.0%	\$ 1,664,903	100.0%	\$ 1,432,165	100.0%	\$ 1,940,698	100.0%
Less: Vacancies - Offline for Rehab		\$ 97,013	6.1%	\$ 57,448	3.5%	\$ -	0.0%	\$ 62,173	4.3%	\$ 100,948	5.2%
Less: Vacancies - Turnover & Credits		\$ 19,001	1.2%	\$ 28,867	1.8%	\$ 3,322	0.2%	\$ 1,852	0.1%	\$ 1,852	0.1%
Net Rental Income:		\$ 1,478,163	92.7%	\$ 1,552,755	94.7%	\$ 1,661,581	99.8%	\$ 1,368,140	95.5%	\$ 1,837,898	94.7%
Garage/Parking Income		\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Laundry Income		\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Other Income		\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Utility Reimbursements	[1]	\$ 62,358	3.9%	\$ 67,632	4.1%	\$ 69,832	4.2%	\$ 52,777	3.7%	\$ 72,594	3.7%
Net Other Income:		\$ 62,358	3.9%	\$ 67,632	4.1%	\$ 69,832	4.2%	\$ 52,777	3.7%	\$ 72,594	3.7%
Total Income:		\$ 1,540,521	96.6%	\$ 1,620,387	98.9%	\$ 1,731,413	104.0%	\$ 1,420,917	99.2%	\$ 1,910,492	98.4%
Operating Expenses:											
Property Management Fee	[2]	\$ 76,843	4.8%	\$ 81,684	5.0%	\$ 87,860	5.3%	\$ 75,249	5.3%	\$ 101,084	5.2%
Project Management Fees	[5]	\$ 53,277	3.3%	\$ 45,648	2.8%	\$ 40,638	2.4%	\$ 43,513	3.0%	\$ 43,513	2.2%
Repairs & Maintenance	[3]	\$ 103,157	6.5%	\$ 110,789	6.8%	\$ 124,354	7.5%	\$ 135,000	9.4%	\$ 135,000	7.0%
Property Insurance		\$ 41,871	2.6%	\$ 36,802	2.2%	\$ 33,652	2.0%	\$ 34,291	2.4%	\$ 34,773	1.8%
Utilities - Refuse	[4]	\$ 19,855	1.2%	\$ 21,423	1.3%	\$ 25,203	1.5%	\$ 21,099	1.5%	\$ 28,133	1.4%
Utilities - Electric	[1]	\$ 57,935	3.6%	\$ 57,935	3.5%	\$ 57,935	3.5%	\$ 45,248	3.2%	\$ 62,103	3.2%
Utilities - Water/Sewer	[1]	\$ 48,476	3.0%	\$ 50,656	3.1%	\$ 49,452	3.0%	\$ 38,299	2.7%	\$ 52,028	2.7%
Total Operating Expenses:		\$ 348,137	21.8%	\$ 359,289	21.9%	\$ 378,456	22.7%	\$ 349,187	24.4%	\$ 413,120	21.3%
Net Operating Income:		\$ 1,192,384	74.8%	\$ 1,261,098	76.9%	\$ 1,352,957	81.3%	\$ 1,071,730	74.8%	\$ 1,497,372	77.2%

## Notes:

- [1] Utility reimbursements for Electric, Water & Sewer vary between tenants, some paying flat rates and others based on metered use.
- [2] Property management fee of 5.5% paid on Net Rental Income of Fort Mason units, does not include Fort Barry units.
- [3] Repairs and Maintenance performed by property manager.
- [4] Landlord pays for Refuse service, no reimbursement from tenants.
- [5] Property manager earns 8.0% project management fee on all projects >\$5,000 that property manager manages.